



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION

**REQUEST FOR PROPOSALS
FOR
PROVISION OF ACTUARIAL SERVICES TO BE
USED FOR PLANNING, ACCOUNTING, AND FINANCIAL
REPORTING PURPOSES**

RFP # 31701-05037

RELEASE 2

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1. INTRODUCTION

The State of Tennessee, Department of Finance and Administration, hereinafter referred to as “the State,” has issued this Request for Proposals (RFP) to define minimum service requirements; solicit proposals; detail proposal requirements; and, outline the State’s process for evaluating proposals and selecting a contractor to provide the needed service.

Through this RFP, the State seeks to buy the best services at the most favorable, competitive prices and to give ALL qualified businesses, including those that are owned by minorities, women, persons with a handicap or disability, and small business enterprises, opportunity to do business with the State as contractors and sub-contractors.

Actuarial Valuation of the State-Administered Healthcare Plans for Other Post Employment Benefits Obligation (OPEB).

The State administers four separate self-insured health plans: one plan, the State Employee Group Plan, for employees and retirees who are State employees (including higher education); another plan, the Local Education Plan, for teachers and other school system employees; a third plan, the Local Government Plan, for employees of local governments and quasi-governmental agencies; and a fourth plan, the Tennessee Plan, for Medicare retirees over the age of 65. Each plan is funded on a pay-as-you-go basis, in that future claims and administrative expenses are generally estimated based on past claims and the resultant estimates are utilized to establish funding requirements, primarily monthly premiums. Monthly premiums are billed to responsible employers periodically. Typically, employers subsidize their employee’s premiums; however, the extent of the subsidy will vary in some plans. Premiums are set annually for each plan based on historical claims experience and projections for future claims for the subsequent year.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. These accounting and financial reporting standards require the State to obtain actuarial valuations for both active employees and retirees in each plan by employer. Moreover, the GASB standards are prescriptive in terms of measurement of annual required contributions, past service obligations, and required disclosures.

The purpose of this Contract is to secure professional services to provide actuarial valuations in accordance with *Actuarial Standards of Practice* for the State of Tennessee’s Other Post Employment Benefits (OPEB)—Health Insurance Plans that will ensure the State’s compliance with requirements of the Governmental Accounting Standards Board Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The GASB statements require actuarial valuations for each plan for active employees and retired employees in accordance with certain parameters. Additionally, certain disclosures required by the accounting standards will be required for each employer in the state-administered plans.

This procurement is intended to provide information necessary to enable the State of Tennessee to implement the accounting and financial reporting requirements of the GASB standards referred to above.

Other Actuarial Related Services

At the State’s request, the Proposer may provide other actuarial services relative to OPEB. Such services may include: actuarial validation or proposed methods for addressing the OPEB liability and technical assistance and analysis, either orally or written, in connection with miscellaneous concerns and questions relative to OPEB; and the funding and operation of the state-administered plans including, but not limited to, review and fiscal analysis of proposed legislation and review of proposed accounting standards and other operational issues.

RFP Attachment 6.7, Demographic Extract Data Layouts, provides current demographic data layout information.

1.2. Scope of Service, Contract Period, & Required Terms and Conditions

The RFP Attachment 6.6., *Pro Forma* Contract details the State's required:

- Scope of Services and Deliverables (Section A);
- Contract Period (Section B);
- Payment Terms (Section C);
- Standard Terms and Conditions (Section D); and,
- Special Terms and Conditions (Section E).

The *pro forma* contract substantially represents the contract document that the successful Proposer must sign.

1.3. Nondiscrimination

No person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of a Contract pursuant to this RFP or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by federal, Tennessee state constitutional, or statutory law. The Contractor pursuant to this RFP shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

1.4. RFP Communications

- 1.4.1. The State has assigned the following RFP identification number that must be referenced in all communications regarding this RFP:

RFP # 31701-05037

- 1.4.2. **Unauthorized contact about this RFP with employees or officials of the State of Tennessee except as detailed below may result in disqualification from consideration under this procurement process.**

- 1.4.2.1. Potential proposers must direct communications relating to this RFP to the following person designated as the RFP Coordinator.

Mitzi R. Hale
State of Tennessee
Department of Finance and Administration
Office for Information Resources
Vantage Place
44 Vantage Way, 4th Floor
Nashville, TN 37228
615.741.3735
Mitzi.Hale@tn.gov

- 1.4.2.2. Notwithstanding the foregoing, potential proposers may contact:

- a. staff of the Governor's Office of Diversity Business Enterprise for assistance available to minority-owned, women-owned, and small businesses as well as general, public information relating to this RFP; and

- b. the following individual designated by the State to coordinate compliance with the nondiscrimination requirements of the State of Tennessee, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and associated federal regulations:

David Sledge
Title VI Coordinator
Tennessee Department of Finance and Administration
Human Resource Office
21st Floor, Tennessee Tower
312 Rosa L. Parks Avenue
Nashville, TN 37243
Phone: 615-532-4595
Fax: 615-741-3470
E-mail: David.Sledge@TN.gov

- 1.4.3. Only the State's official, written responses and communications will be binding with regard to this RFP. The State will consider oral communications of any type to be unofficial and non-binding.
- 1.4.4. Potential proposers must ensure that the State receives all written comments, including questions and requests for clarification, no later than the Written Comments Deadline detailed in the RFP Section 2, Schedule of Events.
- 1.4.5. Proposers must assume the risk of the method of dispatching any communication or proposal to the State. The State assumes no responsibility for delays or delivery failures resulting from the method of dispatch. Actual or digital "postmarking" of a communication or proposal to the State by a specified deadline date will not substitute for the State's actual receipt of a communication or proposal.
- 1.4.6. The State will convey all official responses and communications related to this RFP to the potential proposers from whom the State has received a Notice of Intent to Propose (refer to RFP Section 1.8).
- 1.4.7. The State reserves the right to determine, at its sole discretion, the method of conveying official, written responses and communications related to this RFP. Such written communications may be transmitted by mail, hand-delivery, facsimile, electronic mail, Internet posting, or any other means deemed reasonable by the State.
- 1.4.8. The State reserves the right to determine, at its sole discretion, the appropriate and adequate responses to written comments, questions, and requests related to this RFP. The State's official, written responses will constitute an amendment of this RFP.
- 1.4.9. Any data or factual information provided by the State (in this RFP, an RFP amendment or any other communication relating to this RFP) is for informational purposes only. The State will make reasonable efforts to ensure the accuracy of such data or information, however it is within the discretion of Proposers to independently verify any information before relying thereon.

1.5. Assistance to Proposers With a Handicap or Disability

Potential proposers with a handicap or disability may receive accommodation relating to the communication of this RFP and participating in the RFP process. Potential proposers may contact the RFP Coordinator to request such reasonable accommodation no later than the Disability Accommodation Request Deadline detailed in the RFP Section 2, Schedule of Events.

1.6. Proposer Required Review & Waiver of Objections

- 1.6.1. Each potential proposer must carefully review this RFP, including but not limited to, attachments, the RFP Attachment 6.6., *Pro Forma* Contract, and any amendments, for questions, comments,

defects, objections, or any other matter requiring clarification or correction (collectively called "questions and comments").

1.6.2. Any potential proposer having questions and comments concerning this RFP must provide such in writing to the State no later than the Written Comments Deadline detailed in the RFP Section 2, Schedule of Events.

1.6.3. Protests based on any objection shall be considered waived and invalid if the objection has not been brought to the attention of the State, in writing, by the Written Comments Deadline.

1.7. **Pre-Proposal Conference**

A Pre-Proposal Conference will be held at the time and date detailed in the RFP Section 2, Schedule of Events. Pre-Proposal Conference attendance is not mandatory, and potential proposers may be limited to a maximum number of attendees depending upon overall attendance and space limitations.

The conference will be held at:

State of Tennessee
Department of Finance and Administration
Wm Snodgrass TN Tower, 3rd Floor, The Bedford Room
312 Rosa L. Parks Ave.
Nashville, TN 37243

A photo ID is required for entrance to the Wm Snodgrass Tennessee Tower.

A potential Proposer may request information on a Dial-In option by submitting a written request (email is sufficient) to the RFP coordinator listed in RFP Section 1.4.2.1.

The purpose of the conference is to discuss the RFP scope of services. The State will entertain questions, however potential proposers must understand that the State's response to any question at the Pre-Proposal Conference shall be tentative and non-binding. Potential proposers should submit questions concerning the RFP in writing and must submit them prior to the Written Comments Deadline date detailed in the RFP Section 2, Schedule of Events. The State will send the official response to questions to potential proposers as indicated in RFP Section 1.8 and on the date detailed in the RFP Section 2, Schedule of Events.

1.8. **Notice of Intent to Propose**

Before the Notice of Intent to Propose Deadline detailed in the RFP Section 2, Schedule of Events, potential proposers should submit to the RFP Coordinator a Notice of Intent to Propose (in the form of a simple e-mail or other written communication). Such notice should include the following information:

- the business or individual's name (as appropriate)
- a contact person's name and title
- the contact person's mailing address, telephone number, facsimile number, and e-mail address

A Notice of Intent to Propose creates no obligation and is not a prerequisite for making a proposal, however, it is necessary to ensure receipt of any RFP amendments or other notices and communications relating to this RFP.

1.9. **Proposal Deadline**

A Proposer must ensure that the State receives a proposal no later than the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events. A proposal must respond, as required, to this RFP (including its attachments) as may be amended. The State will not accept late proposals, and a Proposer's failure to submit a proposal before the deadline will result in disqualification of the proposal.

2. RFP SCHEDULE OF EVENTS

2.1. The following RFP Schedule of Events represents the State's best estimate for this RFP.

EVENT	TIME (central time zone)	DATE (all dates are state business days)
1. RFP Issued		February 19, 2013
2. Disability Accommodation Request Deadline	2:00 p.m.	February 22, 2013
3. Pre-proposal Conference	9:30 a.m.	February 26, 2013
4. Notice of Intent to Propose Deadline	2:00 p.m.	February 27, 2013
5. Written "Questions & Comments" Deadline	2:00 p.m.	March 5, 2013
6. State Response to Written "Questions & Comments"		March 27, 2013
7. Proposal Deadline	2:00 p.m.	April 15, 2013
8. State Completion of Technical Proposal Evaluations		April 29, 2013
9. State Opening & Scoring of Cost Proposals	2:00 p.m.	April 30, 2013
10. State Evaluation Notice Released <u>and</u> RFP Files Opened for Public Inspection	2:00 p.m.	May 2, 2013
11. Contract Signing		May 14, 2013
12. Contractor Contract Signature Deadline	2:00 p.m.	May 21, 2013

2.2. **The State reserves the right, at its sole discretion, to adjust the RFP Schedule of Events as it deems necessary.** Any adjustment of the Schedule of Events shall constitute an RFP amendment, and the State will communicate such to potential proposers from whom the State has received a Notice of Intent to Propose (refer to section 1.8).

3. PROPOSAL REQUIREMENTS

3.1. Proposal Form

A response to this RFP must consist of two parts, a Technical Proposal and a Cost Proposal.

- 3.1.1. **Technical Proposal.** The RFP Attachment 6.2., Technical Proposal & Evaluation Guide details specific requirements for making a Technical Proposal in response to this RFP. The guide includes mandatory requirement items, general qualifications and experience items, and technical qualifications, experience, and approach items all of which must be addressed with a written response and, in some instances, additional documentation.

NOTICE: A technical proposal must not include any pricing or cost information. If any pricing or cost information amounts of any type (even pricing relating to other projects) is included in any part of the technical proposal, the state will deem the proposal to be non-responsive and reject it.

- 3.1.1.1. A Proposer must use the RFP Attachment 6.2., Technical Proposal & Evaluation Guide to organize, reference, and draft the Technical Proposal by duplicating the attachment, adding appropriate proposal page numbers as required, and using the guide as a table of contents covering the Technical Proposal.
- 3.1.1.2. A proposal should be economically prepared, with emphasis on completeness and clarity. A proposal, as well as any reference material presented, must be written in English and must be written on standard 8 ½" x 11" pages (although oversize exhibits are permissible). All proposal pages must be numbered.
- 3.1.1.3. All information and documentation included in a Technical Proposal should respond to or address a specific requirement detailed in the RFP Attachment 6.2., Technical Proposal & Evaluation Guide. All information must be incorporated into a response to a specific requirement and clearly referenced. Any information not meeting these criteria will be deemed extraneous and will not contribute to evaluations.
- 3.1.1.4. The State may determine a proposal to be non-responsive and reject it if:
- a. the Proposer fails to organize and properly reference the Technical Proposal as required by this RFP and the RFP Attachment 6.2., Technical Proposal & Evaluation Guide; or
 - b. the Technical Proposal document does not appropriately respond to, address, or meet all of the requirements and proposal items detailed in the RFP Attachment 6.2., Technical Proposal & Evaluation Guide.
- 3.1.2. **Cost Proposal.** A Cost Proposal must be recorded on an exact duplicate of the RFP Attachment 6.3., Cost Proposal & Scoring Guide.

NOTICE: If a proposer fails to submit a cost proposal exactly as required, the state will deem the proposal to be non-responsive and reject it.

- 3.1.2.1. A Proposer must only record the proposed cost exactly as required by the RFP Attachment 6.3., Cost Proposal & Scoring Guide and must NOT record any other rates, amounts, or information.

- 3.1.2.2. The proposed cost shall incorporate ALL costs for services under the contract for the total contract period.
- 3.1.2.3. A Proposer must sign and date the Cost Proposal.
- 3.1.2.4. A Proposer must submit the Cost Proposal to the State in a sealed package separate from the Technical proposal (as detailed in RFP Sections 3.2.3., *et seq.*).

3.2. Proposal Delivery

A Proposer must deliver a proposal in response to this RFP as detailed below. The State will not accept a proposal delivered by any other method.

- 3.2.1. A Proposer must ensure that both the original Technical Proposal and Cost Proposal documents meet all form and content requirements detailed within this RFP for such proposals including but not limited to required signatures.
- 3.2.2. A Proposer must submit original Technical Proposal and Cost Proposal documents and copies as specified below.

- 3.2.2.1. One (1) original Technical Proposal paper document labeled:

“RFP # 31701-05037 TECHNICAL PROPOSAL ORIGINAL”

and five (5) copies of the Technical Proposal each in the form of one (1) digital document in “PDF” format properly recorded on its own otherwise blank, standard CD-R recordable disc labeled:

“RFP # 31701-05037 TECHNICAL PROPOSAL COPY”

The digital copies should not include copies of sealed customer references, however any other discrepancy between the paper Technical Proposal document and any digital copies may result in the State rejecting the proposal as non-responsive.

- 3.2.2.2. One (1) original Cost Proposal paper document labeled:

“RFP # 31701-05037 COST PROPOSAL ORIGINAL”

and one (1) copy in the form of a digital document in “PDF” format properly recorded on separate, blank, standard CD-R recordable disc labeled:

“RFP # 31701-05037 COST PROPOSAL COPY”

In the event of a discrepancy between the original Cost Proposal document and the digital copy, the original, signed document will take precedence.

- 3.2.3. A Proposer must separate, seal, package, and label the documents and discs for delivery as follows.

- 3.2.3.1. The Technical Proposal original document and copy discs must be placed in a sealed package that is clearly labeled:

**“DO NOT OPEN... RFP # 31701-05037 TECHNICAL PROPOSAL FROM
[PROPOSER LEGAL ENTITY NAME]”**

- 3.2.3.2. The Cost Proposal original document and copy disc must be placed in a separate, sealed package that is clearly labeled:

**“DO NOT OPEN... RFP # 31701-05037 COST PROPOSAL FROM [PROPOSER
LEGAL ENTITY NAME]”**

- 3.2.3.3. The separately, sealed Technical Proposal and Cost Proposal components may be enclosed in a larger package for mailing or delivery, provided that the outermost package is clearly labeled:

**“RFP # 31701-05037 SEALED TECHNICAL PROPOSAL & SEALED COST
PROPOSAL FROM [PROPOSER LEGAL ENTITY NAME]”**

- 3.2.4. A Proposer must ensure that the State receives a proposal in response to this RFP no later than the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events at the following address.

Mitzi R. Hale
State of Tennessee
Department of Finance and Administration
Office for Information Resources
Vantage Place
44 Vantage Way, 4th Floor
Nashville, TN 37228
615.741.3735

3.3. Proposal & Proposer Prohibitions

- 3.3.1. A proposal must not include the Proposer’s own contract terms and conditions. If a proposal contains such terms and conditions, the State, at its sole discretion, may determine the proposal to be a non-responsive counteroffer and reject it.
- 3.3.2. A proposal must not restrict the rights of the State or otherwise qualify either the offer to deliver services as required by this RFP or the Cost Proposal. If a proposal restricts the rights of the State or otherwise qualifies either the offer to deliver services as required by this RFP or the Cost Proposal, the State, at its sole discretion, may determine the proposal to be a non-responsive counteroffer and reject it.
- 3.3.3. A proposal must not propose alternate services (*i.e.*, offer services different from those requested and required by this RFP). The State will consider a proposal of alternate services to be non-responsive and reject it.
- 3.3.4. A Cost Proposal must not result from any collusion between Proposers. The State will reject any Cost Proposal that was not prepared independently without collusion, consultation, communication, or agreement with any other Proposer. Regardless of the time of detection, the State will consider any such actions to be grounds for proposal rejection or contract termination.
- 3.3.5. A Proposer must not provide, for consideration in this RFP process or subsequent contract negotiations, incorrect information that the Proposer knew or should have known was materially incorrect. If the State determines that a Proposer has provided such incorrect information, the State will deem the Proposer’s proposal non-responsive and reject it.
- 3.3.6. A Proposer must not submit more than one Technical Proposal and one Cost Proposal in response to this RFP. If a Proposer submits more than one Technical Proposal or more than one Cost Proposal, the State will deem all of the proposals non-responsive and reject them.
- 3.3.7. A Proposer must not submit a proposal as a prime contractor while also permitting one or more other Proposers to offer the Proposer as a subcontractor in their own proposals. Such may result in the disqualification of all Proposers knowingly involved. This restriction does not, however, prohibit different Proposers from offering the same subcontractor as a part of their proposals (provided that the subcontractor does not also submit a proposal as a prime contractor).

3.3.8. A Proposer must not be (and the State will not award a contract to):

- a. an individual who is, or within the past six months has been, an employee of the State of Tennessee or who is a volunteer member of a State board or commission that votes for, lets out, overlooks, or any manner superintends the services being procured in this RFP;
- b. a company, corporation, or any other contracting entity in which an ownership of two percent (2%) or more is held by an individual who is, or within the past six months has been, an employee of the State of Tennessee (this will not apply either to financial interests that have been placed into a "blind trust" arrangement pursuant to which the employee does not have knowledge of the retention or disposition of such interests or to the ownership of publicly traded stocks or bonds where such ownership constitutes less than 2% of the total outstanding amount of the stocks or bonds of the issuing entity);
- c. a company, corporation, or any other contracting entity which employs an individual who is, or within the past six months has been, an employee of the State of Tennessee in a position that would allow the direct or indirect use or disclosure of information, which was obtained through or in connection with his or her employment and not made available to the general public, for the purpose of furthering the private interest or personal profit of any person; or,
- d. any individual, company, or other entity involved in assisting the State in the development, formulation, or drafting of this RFP or its scope of services (such person or entity being deemed by the State as having information that would afford an unfair advantage over other Proposers).

For the purposes of applying the requirements of this RFP subsection 3.3.8., the State will deem an individual to be an employee of the State of Tennessee until such time as all compensation for salary, termination pay, and annual leave has been paid, but the term "employee of the State of Tennessee" shall not include individuals performing volunteer services for the State of Tennessee.

3.4. **Proposal Errors & Revisions**

A Proposer is liable for any and all proposal errors or omissions. A Proposer will not be allowed to alter or revise proposal documents after the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events unless such is formally requested, in writing, by the State.

3.5. **Proposal Withdrawal**

A Proposer may withdraw a submitted proposal at any time before the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events by submitting a written request signed by an authorized Proposer representative. After withdrawing a proposal, a Proposer may submit another proposal at any time before the Proposal Deadline.

3.6. **Proposal of Additional Services**

If a proposal offers services in addition to those required by and described in this RFP, the State, at its sole discretion, may add such services to the contract awarded as a result of this RFP. Notwithstanding the foregoing, a Proposer must not propose any additional cost amount(s) or rate(s) for additional services. Regardless of any additional services offered in a proposal, the Proposer's Cost Proposal must only record the proposed cost as required in this RFP and must not record any other rates, amounts, or information.

NOTICE: If a Proposer fails to submit a Cost Proposal exactly as required, the State will deem the proposal non-responsive and reject it.

3.7. **Proposal Preparation Costs**

The State will not pay any costs associated with the preparation, submittal, or presentation of any proposal.

4. GENERAL CONTRACTING INFORMATION & REQUIREMENTS

4.1. RFP Amendment

The State reserves the right to amend this RFP at any time, provided that it is amended in writing. However, prior to any such amendment, the State will consider whether it would negatively impact the ability of potential proposers to meet the proposal deadline and revise the RFP Schedule of Events if deemed appropriate. If an RFP amendment is issued, the State will convey it to potential proposers who submitted a Notice of Intent to Propose (refer to RFP Section 1.8). A proposal must respond, as required, to the final RFP (including its attachments) as may be amended.

4.2. RFP Cancellation

The State reserves the right, at its sole discretion, to cancel or to cancel and reissue this RFP in accordance with applicable laws and regulations.

4.3. State Right of Rejection

4.3.1. Subject to applicable laws and regulations, the State reserves the right to reject, at its sole discretion, any and all proposals.

4.3.2. The State may deem as non-responsive and reject any proposal that does not comply with all terms, conditions, and performance requirements of this RFP. Notwithstanding the foregoing, the State reserves the right to waive, at its sole discretion, a proposal's minor variances from full compliance with this RFP. If the State waives variances in a proposal, such waiver shall not modify the RFP requirements or excuse the Proposer from full compliance with such, and the State may hold any resulting Contractor to strict compliance with this RFP.

4.4. Assignment & Subcontracting

4.4.1. The Contractor may not subcontract, transfer, or assign any portion of the Contract awarded as a result of this RFP without prior approval of the State. The State reserves the right to refuse approval, at its sole discretion, of any subcontract, transfer, or assignment.

4.4.2. If a Proposer intends to use subcontractors, the proposal in response to this RFP must specifically identify the scope and portions of the work each subcontractor will perform (refer to RFP Attachment 6.2., Section B, General Qualifications & Experience Item B.14.).

4.4.3. Subcontractors identified within a proposal in response to this RFP will be deemed as approved by the State unless the State expressly disapproves one or more of the proposed subcontractors prior to signing the Contract.

4.4.4. The Contractor resulting from this RFP may only substitute another subcontractor for a proposed subcontractor at the discretion of the State and with the State's prior, written approval.

4.4.5. Notwithstanding any State approval relating to subcontracts, the Contractor resulting from this RFP will be the prime contractor and will be responsible for all work under the Contract.

4.5. Right to Refuse Personnel

The State reserves the right to refuse, at its sole discretion and notwithstanding any prior approval, any personnel of the prime contractor or a subcontractor providing service in the performance of a contract resulting from this RFP. The State will document in writing the reason(s) for any rejection of personnel.

4.6. Insurance

At any time, the State may require the Contractor resulting from this RFP to provide a valid, Certificate of

Insurance indicating current insurance coverage meeting minimum requirements as may be specified by this RFP. A failure to provide said documentation will be considered a material breach and grounds for contract termination.

4.7. Licensure

- 4.7.1. All persons, agencies, firms, or other entities that provide legal or financial opinions, which a Proposer provides for consideration and evaluation by the State as a part of a proposal in response to this RFP, shall be properly licensed to render such opinions.
- 4.7.2. Before the Contract resulting from this RFP is signed, the apparent successful Proposer (and Proposer employees and subcontractors, as applicable) must hold all necessary, appropriate business and professional licenses to provide service as required. The State may require any Proposer to submit evidence of proper licensure.

4.8. Disclosure of Proposal Contents

- 4.8.1. Each proposal and all materials submitted to the State in response to this RFP become the property of the State of Tennessee. Selection or rejection of a proposal does not affect this right. By submitting a proposal, a Proposer acknowledges and accepts that the full proposal contents and associated documents will become open to public inspection in accordance with the laws of the State of Tennessee.
- 4.8.2. The State will hold all proposal information, including both technical and cost information, in confidence during the evaluation process. Notwithstanding the foregoing, a list of actual Proposers submitting timely proposals may be available to the public, upon request, after technical proposals are opened.
- 4.8.3. Upon completion of proposal evaluations, indicated by public release of an Evaluation Notice, the proposals and associated materials will be open for review by the public in accordance with *Tennessee Code Annotated*, Section 10-7-504(a)(7).

4.9. Contract Approval and Contract Payments

- 4.9.1. This RFP and its contractor selection processes do not obligate the State and do not create rights, interests, or claims of entitlement in either the Proposer with the apparent best-evaluated proposal or any other Proposer. State obligations pursuant to a contract award shall commence only after the contract is signed by the State agency head and the Contractor and after the Contract is approved by all other state officials as required by applicable laws and regulations.
- 4.9.2. No payment will be obligated or made until the relevant Contract is approved as required by applicable statutes and rules of the State of Tennessee.
 - 4.9.2.1. The State shall not be liable for payment of any type associated with the Contract resulting from this RFP (or any amendment thereof) or responsible for any work done by the Contractor, even work done in good faith and even if the Contractor is orally directed to proceed with the delivery of services, if it occurs before the Contract start date or after the Contract end date.
 - 4.9.2.2. All payments relating to this procurement will be made in accordance with the Payment Terms and Conditions of the Contract resulting from this RFP (refer to RFP Attachment 6.6., *Pro Forma* Contract, Section C).
 - 4.9.2.3. If any provision of the Contract provides direct funding or reimbursement for the competitive purchase of services or items to be delivered to the State as a component of contract performance or otherwise provides for the reimbursement of specified, actual costs, the State will employ all reasonable means and will require all such documentation that it deems necessary to ensure that such purchases were competitive

and costs were reasonable, necessary, and actual. The Contractor shall provide reasonable assistance and access related to such review. Further, the State shall not remit, as funding or reimbursement pursuant to such provisions, any amount(s) which it determines did not result from a reasonably competitive purchase or do not represent reasonable, necessary, and actual costs.

4.10. Contractor Performance

The Contractor resulting from this RFP will be responsible for the completion of all service set out in this RFP (including attachments) as may be amended. All service is subject to inspection and evaluation by the State. The State will employ all reasonable means to ensure that service is progressing and being performed in compliance with the Contract, and the Contractor must cooperate with such efforts.

4.11. Contract Amendment

During the course of a Contract pursuant to this RFP, the State may request the Contractor to perform additional work within the general scope of the Contract and this RFP, but beyond the specified scope of service, and for which the Contractor may be compensated. In such instances, the State will provide the Contractor a written description of the additional work. The Contractor must respond to the State with a time schedule for accomplishing the additional work and a price for the additional work based on the rates included in the Contractor's proposal to this RFP. If the State and the Contractor reach an agreement regarding the work and associated compensation, such agreement must be effected by means of a Contract Amendment. Further, any such amendment requiring additional work must be signed by both the State agency head and the Contractor and must be approved by other state officials as required by applicable statutes and rules of the State of Tennessee. The Contractor must not commence additional work until the State has issued a written Contract Amendment with all required approvals.

4.12. Severability

If any provision of this RFP is declared by a court to be illegal or in conflict with any law, said decision will not affect the validity of the remaining RFP terms and provisions, and the rights and obligations of the State and Proposers will be construed and enforced as if the RFP did not contain the particular provision held to be invalid.

5. PROPOSAL EVALUATION & CONTRACT AWARD

5.1. Evaluation Categories & Maximum Points

The State will consider qualifications, experience, technical approach, and cost in the evaluation of proposals and award points in each of the categories detailed below (up to the maximum evaluation points indicated) to each apparently responsive proposal.

EVALUATION CATEGORY	MAXIMUM POINTS POSSIBLE
General Qualifications & Experience (refer to RFP Attachment 6.2., Section B)	25
Technical Qualifications, Experience & Approach (refer to RFP Attachment 6.2., Section C)	40
Cost Proposal (refer to RFP Attachment 6.3.)	35

5.2. Evaluation Process

The proposal evaluation process is designed to award the contract resulting from this RFP not necessarily to the Proposer offering the lowest cost, but rather to the responsive and responsible Proposer offering the best combination of attributes based upon the evaluation criteria. ("Responsive Proposer" is defined as a Proposer that has submitted a proposal that conforms in all material respects to the RFP. "Responsible Proposer" is defined as a Proposer that has the capacity in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance.)

5.2.1. **Technical Proposal Evaluation.** The RFP Coordinator and the Proposal Evaluation Team (consisting of three or more State employees) will use the RFP Attachment 6.2., Technical Proposal & Evaluation Guide to manage the Technical Proposal Evaluation and maintain evaluation records.

- 5.2.1.1. The State reserves the right, at its sole discretion, to request Proposer clarification of a Technical Proposal or to conduct clarification discussions with any or all Proposers. Any such clarification or discussion will be limited to specific sections of the proposal identified by the State. The subject Proposer must put any resulting clarification in writing as may be required and in accordance with any deadline imposed by the State.
- 5.2.1.2. The RFP Coordinator will review each Technical Proposal to determine compliance with RFP Attachment 6.2., Technical Proposal & Evaluation Guide, Section A— Mandatory Requirements. If the RFP Coordinator determines that a proposal may have failed to meet one or more of the mandatory requirements, the Proposal Evaluation Team will review the proposal and document the team's determination of whether:
 - a. the proposal adequately meets requirements for further evaluation;
 - b. the State will request clarifications or corrections for consideration prior to further evaluation; or,
 - c. the State will determine the proposal non-responsive to the RFP and reject it.
- 5.2.1.3. Proposal Evaluation Team members will independently evaluate each Technical Proposal (that appears responsive to the RFP) against the evaluation criteria in this RFP, rather than against other proposals and will score each in accordance with the RFP Attachment 6.2., Technical Proposal & Evaluation Guide, Section B and Section C.

- 5.2.1.4. For each proposal evaluated, the RFP Coordinator will calculate the average of the Proposal Evaluation Team member scores for RFP Attachment 6.2., Technical Proposal & Evaluation Guide, Section B and for Section C, and record each average as the proposal score for the respective Technical Proposal section.
- 5.2.1.5. Before Cost Proposals are opened, the Proposal Evaluation Team will review the Technical Proposal Evaluation record and any other available information pertinent to whether or not each Proposer is responsive and responsible. If the Proposal Evaluation Team identifies any Proposer that appears not to meet the responsive and responsible thresholds such that the team would not recommend the Proposer for Cost Proposal Evaluation and potential contract award, the team members will fully document the determination.
- 5.2.2. **Cost Proposal Evaluation.** The RFP Coordinator will open for evaluation the Cost Proposal of each apparently responsive and responsible Proposer that the Proposal Evaluation Team has effectively recommended for potential contract award and will calculate and record each Cost Proposal score in accordance with the RFP Attachment 6.3., Cost Proposal & Scoring Guide.
- 5.2.3. **Total Proposal Score.** The RFP Coordinator will calculate the sum of the Technical Proposal section scores and the Cost Proposal score and record the resulting number as the total score for the subject Proposal (refer to RFP Attachment 6.5., Proposal Score Summary Matrix).

5.3. **Contract Award Process**

- 5.3.1 The RFP Coordinator will submit the Proposal Evaluation Team determinations and proposal scores to the head of the contracting agency for consideration along with any other relevant information that might be available and pertinent to contract award.
- 5.3.2. The contracting agency head will determine the apparent best-evaluated proposal. (To effect a contract award to a Proposer other than the one receiving the highest evaluation process score, the head of the contracting agency must provide written justification and obtain the written approval of the Commissioner of Finance and Administration and the Comptroller of the Treasury.)
- 5.3.3. The State reserves the right to make an award without further discussion of any proposal.
- 5.3.4. The State will issue an Evaluation Notice identifying the apparent best-evaluated proposal and make the RFP files available for public inspection at the time and date specified in the RFP Section 2, Schedule of Events.

NOTICE: The Evaluation Notice shall not create rights, interests, or claims of entitlement in either the Proposer with apparent best-evaluated proposal or any other Proposer.

- 5.3.5. The Proposer identified as offering the apparent best-evaluated proposal must sign a contract drawn by the State pursuant to this RFP. The contract shall be substantially the same as the RFP Attachment 6.6., *Pro Forma* Contract. The Proposer must sign said contract no later than the Contract Signature by Contractor Deadline detailed in the RFP Section 2, Schedule of Events. If the Proposer fails to provide the signed contract by the deadline, the State may determine that the Proposer is non-responsive to this RFP and reject the proposal.
- 5.3.6. Notwithstanding the foregoing, the State may, at its sole discretion, entertain limited negotiation prior to contract signing and, as a result, revise the *pro forma* contract terms and conditions or performance requirements in the State's best interests, PROVIDED THAT such revision of terms and conditions or performance requirements shall **NOT** materially affect the basis of proposal evaluations or negatively impact the competitive nature of the RFP and contractor selection process.

- 5.3.7. If the State determines that a proposal is non-responsive and rejects it after opening Cost Proposals, the RFP Coordinator will re-calculate scores for each remaining responsive Cost Proposal to determine (or re-determine) the apparent best-evaluated proposal.

RFP # 31701-05037 PROPOSAL STATEMENT OF CERTIFICATIONS AND ASSURANCES

The Proposer must sign and complete the Proposal Statement of Certifications and Assurances below as required, and it must be included in the Technical Proposal (as required by RFP Attachment 6.2., Technical Proposal & Evaluation Guide, Section A, Item A.1.).

The Proposer does, hereby, expressly affirm, declare, confirm, certify, and assure ALL of the following:

1. The Proposer will comply with all of the provisions and requirements of the RFP.
2. The Proposer will provide all services as defined in the Scope of Services of the RFP Attachment 6.6., *Pro Forma* Contract for the total contract period.
3. The Proposer accepts and agrees to all terms and conditions set out in the RFP Attachment 6.6., *Pro Forma* Contract.
4. The Proposer acknowledges and agrees that a contract resulting from the RFP shall incorporate, by reference, all proposal responses as a part of the contract.
5. The Proposer will comply with:
 - (a) the laws of the State of Tennessee;
 - (b) Title VI of the federal Civil Rights Act of 1964;
 - (c) Title IX of the federal Education Amendments Act of 1972;
 - (d) the Equal Employment Opportunity Act and the regulations issued there under by the federal government; and,
 - (e) the Americans with Disabilities Act of 1990 and the regulations issued there under by the federal government.
6. To the knowledge of the undersigned, the information detailed within the proposal submitted in response to the RFP is accurate.
7. The proposal submitted in response to the RFP was independently prepared, without collusion, under penalty of perjury.
8. No amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Proposer in connection with the RFP or any resulting contract.
9. Both the Technical Proposal and the Cost Proposal submitted in response to the RFP shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract pursuant to the RFP.

By signing this Proposal Statement of Certifications and Assurances, below, the signatory also certifies legal authority to bind the proposing entity to the provisions of this RFP and any contract awarded pursuant to it. If the signatory is not the Proposer (if an individual) or the Proposer's company *President or Chief Executive Officer*, this document must attach evidence showing the individual's authority to bind the proposing entity.

DO NOT SIGN THIS DOCUMENT IF YOU ARE NOT LEGALLY AUTHORIZED TO BIND THE PROPOSING ENTITY

SIGNATURE:

PRINTED NAME & TITLE:

DATE:

PROPOSER LEGAL ENTITY NAME:

PROPOSER FEDERAL EMPLOYER IDENTIFICATION NUMBER (or SSN):

TECHNICAL PROPOSAL & EVALUATION GUIDE

SECTION A: MANDATORY REQUIREMENTS. The Proposer must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Proposer must also detail the proposal page number for each item in the appropriate space below.

The RFP Coordinator will review the proposal to determine if the Mandatory Requirement Items are addressed as required and mark each with pass or fail. For each item that is not addressed as required, the Proposal Evaluation Team must review the proposal and attach a written determination. In addition to the Mandatory Requirement Items, the RFP Coordinator will review each proposal for compliance with all RFP requirements.

PROPOSER LEGAL ENTITY NAME:			
Proposal Page # (Proposer completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
		The Proposal must be delivered to the State no later than the Proposal Deadline specified in the RFP Section 2, Schedule of Events.	
		The Technical Proposal and the Cost Proposal documentation must be packaged separately as required (refer to RFP Section 3.2., <i>et. seq.</i>).	
		The Technical Proposal must NOT contain cost or pricing information of any type.	
		The Technical Proposal must NOT contain any restrictions of the rights of the State or other qualification of the proposal.	
		A Proposer must NOT submit alternate proposals.	
		A Proposer must NOT submit multiple proposals in different forms (as a prime and a sub-contractor).	
	A.1.	Provide the Proposal Statement of Certifications and Assurances (RFP Attachment 6.1.) completed and signed by an individual empowered to bind the Proposer to the provisions of this RFP and any resulting contract. The document must be signed without exception or qualification.	
	A.2.	Provide a statement, based upon reasonable inquiry, of whether the Proposer or any individual who shall perform work under the contract has a possible conflict of interest (<i>e.g.</i> , employment by the State of Tennessee) and, if so, the nature of that conflict. NOTE: Any questions of conflict of interest shall be solely within the discretion of the State, and the State reserves the right to cancel any award.	
	A.3.	Provide a current bank reference indicating that the Proposer's business relationship with the financial institution is in positive standing. Such reference must be written in the form of a standard business letter, signed, and dated within the past three (3) months.	
	A.4.	Provide two current positive credit references from vendors with which the Proposer has done business written in the form of standard business letters, signed, and dated within the past three (3) months.	
	A.5.	Provide an official document or letter from an accredited credit bureau, verified and dated within the last three (3) months and indicating a positive credit rating for the Proposer (NOTE: A credit bureau report number without the full report is insufficient and will <u>not</u> be considered responsive.)	
State Use – RFP Coordinator Signature, Printed Name & Date:			

TECHNICAL PROPOSAL & EVALUATION GUIDE

SECTION B: GENERAL QUALIFICATIONS & EXPERIENCE. The Proposer must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Proposer must also detail the proposal page number for each item in the appropriate space below. Proposal Evaluation Team members will independently evaluate and assign one score for all responses to Section B— General Qualifications & Experience Items.

PROPOSER LEGAL ENTITY NAME:		
Proposal Page # (Proposer completes)	Item Ref.	Section B— General Qualifications & Experience Items
	B.1.	Detail the name, e-mail address, mailing address, telephone number, and facsimile number of the person the State should contact regarding the proposal.
	B.2.	Describe the Proposer's form of business (<i>i.e.</i> , individual, sole proprietor, corporation, non-profit corporation, partnership, limited liability company) and business location (physical location or domicile).
	B.3.	Detail the number of years the Proposer has been in business.
	B.4.	Briefly describe how long the Proposer has been performing the services required by this RFP.
	B.5.	Describe the Proposer's number of employees, client base, and location of offices.
	B.6.	Provide a statement of whether there have been any mergers, acquisitions, or sales of the Proposer within the last ten years. If so, include an explanation providing relevant details.
	B.7.	Provide a statement of whether the Proposer or, to the Proposer's knowledge, any of the Proposer's employees, agents, independent contractors, or subcontractors, proposed to provide work on a contract pursuant to this RFP, have been convicted of, pled guilty to, or pled <i>nolo contendere</i> to any felony. If so, include an explanation providing relevant details.
	B.8.	Provide a statement of whether, in the last ten years, the Proposer has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors. If so, include an explanation providing relevant details.
	B.9.	<p>Provide a statement of whether there is any material, pending litigation against the Proposer that the Proposer should reasonably believe could adversely affect its ability to meet contract requirements pursuant to this RFP or is likely to have a material adverse effect on the Proposer's financial condition. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it would impair the Proposer's performance in a contract pursuant to this RFP.</p> <p>NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Proposer must be properly licensed to render such opinions. The State may require the Proposer to submit proof of such licensure detailing the state of licensure and licensure number for each person or entity that renders such opinions.</p>
	B.10.	<p>Provide a statement of whether there are any pending or in progress Securities Exchange Commission investigations involving the Proposer. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it will impair the Proposer's performance in a contract pursuant to this RFP.</p> <p>NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Proposer must be properly licensed to render such opinions. The State may require the Proposer to submit proof of such licensure detailing the state of licensure and licensure number for each person or entity that renders such opinions.</p>

PROPOSER LEGAL ENTITY NAME:		
Proposal Page # (Proposer completes)	Item Ref.	Section B— General Qualifications & Experience Items
	B.11.	Provide a brief, descriptive statement detailing evidence of the Proposer's ability to deliver the services sought under this RFP (e.g., prior experience, training, certifications, resources, program and quality management systems, etc.).
	B.12.	Provide a narrative description of the proposed project team, its members, and organizational structure along with an organizational chart identifying the key people who will be assigned to accomplish the work required by this RFP, illustrating the lines of authority, and designating the individual responsible for the completion of each service component and deliverable of the RFP.
	B.13.	Provide a personnel roster listing the names of key people who the Proposer will assign to perform duties or services required by this RFP along with the estimated number of hours that each individual will devote to that performance. Follow the personnel roster with a resume for each of the people listed. The resumes must detail the individual's title, education, current position with the Proposer, and employment history.
	B.14.	<p>Provide a statement of whether the Proposer intends to use subcontractors to accomplish the work required by this RFP, and if so, detail:</p> <p>(a) the names of the subcontractors along with the contact person, mailing address, telephone number, and e-mail address for each;</p> <p>(b) a description of the scope and portions of the work each subcontractor will perform; <u>and</u></p> <p>(c) a statement specifying that each proposed subcontractor has expressly assented to being proposed as a subcontractor in the Proposer's response to this RFP.</p>
	B.15.	<p>Provide documentation of the Proposer's commitment to diversity as represented by its business strategy, business relationships, and workforce— this documentation should detail <u>all</u> of the following:</p> <p>(a) a description of the Proposer's existing programs and procedures designed to encourage and foster commerce with business enterprises owned by minorities, women, persons with a handicap or disability and small business enterprises;</p> <p>(b) a listing of the Proposer's current contracts with business enterprises owned by minorities, women, persons with a handicap or disability and small business enterprises, including the following information:</p> <p>(i) contract description and total value</p> <p>(ii) contractor name and ownership characteristics (i.e., ethnicity, sex, disability)</p> <p>(iii) contractor contact and telephone number;</p> <p>(c) an estimate of the level of participation by business enterprises owned by minorities, women, persons with a handicap or disability and small business enterprises in a contract awarded to the Proposer pursuant to this RFP, including the following information:</p> <p>(i) participation estimate (expressed as a percent of the total contract value that will be dedicated to business with subcontractors and supply contractors having such ownership characteristics — PERCENTAGES ONLY — DO NOT INCLUDE DOLLAR AMOUNTS)</p> <p>(ii) descriptions of anticipated contracts</p> <p>(iii) names and ownership characteristics (i.e., ethnicity, sex, disability) of anticipated subcontractors and supply contractors anticipated; and</p> <p>(d) the percent of the Proposer's total current employees by ethnicity, sex, and handicap or disability.</p> <p>NOTE: Proposers that demonstrate a commitment to diversity will advance State efforts to expand opportunity to do business with the State as contractors and sub-contractors. Proposal evaluations will recognize the positive qualifications and experience of a Proposer that does business with enterprises owned by minorities, women, persons with a handicap or disability and small business</p>

PROPOSER LEGAL ENTITY NAME:		
Proposal Page # (Proposer completes)	Item Ref.	Section B— General Qualifications & Experience Items
		enterprises and that offers a diverse workforce to meet service needs.
	B.16.	<p>Provide a statement of whether or not the Proposer has any current contracts with the State of Tennessee or has completed any contracts with the State of Tennessee within the previous 5-year period. If so, provide the following information for all of the current and completed contracts:</p> <ul style="list-style-type: none"> (a) the name, title, telephone number and e-mail address of the State contact knowledgeable about the contract; (b) the procuring State agency name; (c) a brief description of the contract's scope of services; (d) the contract term; and (e) the contract number. <p>NOTES:</p> <ul style="list-style-type: none"> ▪ Current or prior contracts with the State are <u>not</u> a prerequisite and are <u>not</u> required for the maximum evaluation score, and the existence of such contracts with the State will <u>not</u> automatically result in the addition or deduction of evaluation points. ▪ Each evaluator will generally consider the results of inquiries by the State regarding all contracts noted.
	B.17.	<p>Provide customer references from individuals (who are <u>not</u> current or former officials or staff of the State of Tennessee) for OPEB projects similar to the services sought under this RFP and which represent:</p> <ul style="list-style-type: none"> ▪ two (2) of the larger accounts (plans having a minimum of 5,000 plan participants) currently serviced by the Proposer, <u>and</u> ▪ three (3) completed projects. <p>All references must be provided in the form of standard reference questionnaires that have been fully completed by the individual providing the reference as required. The standard reference questionnaire, which <u>must</u> be used and completed as required, is detailed at RFP Attachment 6.4. References that are not completed as required will be considered non-responsive and will not be considered.</p> <p>The Proposer will be <u>solely</u> responsible for obtaining the fully completed reference questionnaires, and for including them within the Proposer's sealed Technical Proposal. In order to obtain and submit the completed reference questionnaires, as required, follow the process detailed below.</p> <ul style="list-style-type: none"> (a) "Customize" the standard reference questionnaire at RFP Attachment 6.4. by adding the subject Proposer's name, and make exact duplicates for completion by references. (b) Send the customized reference questionnaires to each individual chosen to provide a reference along with a new standard #10 envelope. (c) Instruct the person that will provide a reference for the Proposer to: <ul style="list-style-type: none"> (i) complete the reference questionnaire (on the form provided or prepared, completed, and printed using an exact duplicate of the document); (ii) sign <u>and</u> date the completed, reference questionnaire; (iii) seal the completed, signed, and dated, reference questionnaire within the envelope provided; (iv) sign his or her name in ink across the sealed portion of the envelope; and (v) return the sealed envelope containing the completed reference questionnaire directly to the Proposer (the Proposer may wish to give each reference a deadline, such that the Proposer will be able to collect all required references in time to include them within the sealed Technical Proposal). (d) <u>Do NOT open the sealed references upon receipt.</u>

PROPOSER LEGAL ENTITY NAME:		
Proposal Page # (Proposer completes)	Item Ref.	Section B— General Qualifications & Experience Items
		<p>(e) Enclose all <u>sealed</u> reference envelopes within a larger, labeled envelope for inclusion in the Technical Proposal as required.</p> <p>NOTES:</p> <ul style="list-style-type: none"> ▪ The State will not accept late references or references submitted by any means other than that which is described above, and each reference questionnaire submitted must be completed as required. ▪ The State will not review more than the number of required references indicated above. ▪ While the State will base its reference check on the contents of the sealed reference envelopes included in the Technical Proposal package, the State reserves the right to confirm and clarify information detailed in the completed reference questionnaires, and may consider clarification responses in the evaluation of references. ▪ The State is under <u>no</u> obligation to clarify any reference information.
	B.18.	<p>Provide the total number of customers for whom you have performed the services as requested in this RFP.</p> <p>Provide a list of customers (not to exceed 20 customers) for whom you have performed the services as requested in this RFP. For each customer, provide:</p> <ul style="list-style-type: none"> • Name of entity or entities; • Number of eligible employees; • Number of plan participants (i.e., retirees, dependents of retirees, eligible employees, dependents of eligible employees); • Actuarial service performed; and • Date services performed.
SCORE (for <u>all</u> Section B—Qualifications & Experience Items above): (maximum possible score = 25)		
State Use – Evaluator Identification:		

TECHNICAL PROPOSAL & EVALUATION GUIDE

SECTION C: TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH. The Proposer must address all items (below) and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Proposer must also detail the proposal page number for each item in the appropriate space below.

A Proposal Evaluation Team, made up of three or more State employees, will independently evaluate and score the proposal's response to each item. Each evaluator will use the following whole number, raw point scale for scoring each item:

0 = little value 1 = poor 2 = fair 3 = satisfactory 4 = good 5 = excellent

The RFP Coordinator will multiply the Item Score by the associated Evaluation Factor (indicating the relative emphasis of the item in the overall evaluation). The resulting product will be the item's raw, weighted score for purposes of calculating the section score as indicated.

PROPOSER LEGAL ENTITY NAME:					
Proposal Page # (Proposer completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
	C.1.	Provide a narrative that illustrates the Proposer's understanding of the State's requirements and project schedule.		5	
	C.2.	Provide a narrative that illustrates how the Proposer will complete the scope of services, (specifically Sections A.2.b., <u>Responsibilities of Contractor</u> , A.3., <u>Other Actuarial Related Services</u> , in the <i>pro forma</i> Contract, RFP Attachment 6.6) accomplish required objectives, and meet the State's project schedule.		15	
	C.3.	OPEB Actuarial Services (Section A.2.b., <u>Responsibilities of Contractor</u> , in the <i>pro forma</i> Contract, RFP Attachment 6.6) Describe how the Proposer will perform the calculations prescribed by the parameters in GASB Statement 45 for each of the healthcare plans segregating active and retired employees by employer. For each step in the process, please describe in detail any expected tasks to be performed by the State and any documentation expected to be provided by the State, in addition to the tasks and data currently described in Section A.2.c., <u>Responsibilities of State</u> , in the <i>pro forma</i> Contract, RFP Attachment 6.6. Please include a description of the proposed work product resulting from completion of this valuation and submit a sample actuarial valuation. This sample may be a copy of the Proposer's previous work product done for another client or it may be the Proposer's conceptual sample product.		40	
	C.4.	Please provide a work plan for the completion of this set of projects including the identification of key issues, decision points, summary of major activities, a schedule indicating week by week completion of key activities, deliverables to be provided and staff and technical resources to be applied. Where reference can be made to specific staff members or positions identified elsewhere in the proposal, such reference should be contained in the response. If not mentioned		40	

PROPOSER LEGAL ENTITY NAME:					
Proposal Page # (Proposer completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
		previously, the experience of staff should be described.			
<i>The RFP Coordinator will use this sum and the formula below to calculate the section score. All calculations will use and result in numbers rounded to two (2) places to the right of the decimal point.</i>					
<div style="display: flex; justify-content: space-between;"> <div> Total Raw Weighted Score <div style="border-top: 1px solid black; display: inline-block; width: 100%;"></div> Maximum Possible Raw Weighted Score <i>(i.e., 5 x the sum of item weights above)</i> </div> <div style="text-align: center;"> X 40 <i>(maximum possible score)</i> </div> <div> = SCORE: </div> </div>					
<i>State Use – Evaluator Identification:</i>					
<i>State Use – RFP Coordinator Signature, Printed Name & Date:</i>					

COST PROPOSAL & SCORING GUIDE

NOTICE: THIS COST PROPOSAL MUST BE COMPLETED EXACTLY AS REQUIRED

COST PROPOSAL SCHEDULE— The Cost Proposal, detailed below, shall indicate the proposed price for the entire scope of service including all services defined in the Scope of Services of the RFP Attachment 6.6., *Pro Forma* Contract and for the entire contract period. The Cost Proposal shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract resulting from this RFP. All monetary amounts shall be in U.S. currency and limited to two (2) places to the right of the decimal point.

The Proposer must propose one total cost for each biennial Actuarial Valuation and Report. If the proposer leaves any of the three required valuation/report cells blank, the State shall disqualify the Proposer. The Proposer must not leave any hourly fee cells blank; if the Proposer leaves any required hourly fee cell blank, the State shall disqualify the Proposer.

NOTICE: The Evaluation Factor associated with each cost item is for evaluation purposes only. The evaluation factors do NOT and should NOT be construed as any type of volume guarantee or minimum purchase quantity. The evaluation factors shall NOT create rights, interests, or claims of entitlement in the Proposer.

Notwithstanding the cost items herein, pursuant to the second paragraph of the pro forma contract section C.1. (refer to RFP Attachment 6.6.), "The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract."

This Cost Proposal must be signed, in the space below, by an individual empowered to bind the proposing entity to the provisions of this RFP and any contract awarded pursuant to it. If said individual is not the *President* or *Chief Executive Officer*, this document must attach evidence showing the individual's authority to legally bind the proposing entity.

PROPOSER SIGNATURE:	
PRINTED NAME & TITLE:	
DATE:	
PROPOSER LEGAL ENTITY NAME:	

Cost Item Description	Proposed Cost			Sum	State Use Only	
					Evaluation Factor	Evaluation Cost (cost x factor)
<u>Biennial Actuarial Valuation</u> See <i>pro forma</i> Contract Sections A.2.b.(1) and A.2.b.(2)	Initial Actuarial Valuation Report Due 5/15/2014	Subsequent Actuarial Valuation Report Due 5/15/2016	Subsequent Actuarial Valuation Report Due 5/15/2018			
	\$NUMBER	\$NUMBER	\$NUMBER		1	
[THE AMOUNT BID IN EACH BIENNIAL ACTUARIAL VALUATION CELL ABOVE WILL BE DIVIDED BY TWO (2) AND TRANSCRIBED INTO THE TWO (2) CORRESPONDING CELLS IN THE TABLE IN CONTRACT SECTION C.3.b.(1).]						
<u>Hourly Rates</u> See <i>pro forma</i> Contract Sections A.2.b.(3) and A.3.	Actuarial Valuation Update Report Due 5/15/2015 and Other Actuarial Related Services 7/1/2013 – 6/30/2015	Actuarial Valuation Update Report Due 5/15/2017 and Other Actuarial Related Services 7/1/2015 – 6/30/2017	Actuarial Valuation Update Report Due 5/15/2019 and Other Actuarial Related Services 7/1/2017 – 6/30/2019	Sum	Evaluation Factor	Evaluation Cost (cost x factor)
Senior Vice President	\$ NUMBER Per Hour	\$ NUMBER Per Hour	\$ NUMBER Per Hour		74	
Vice President	\$ NUMBER Per Hour	\$ NUMBER Per Hour	\$ NUMBER Per Hour		111	
Senior Actuarial Analyst	\$ NUMBER Per Hour	\$ NUMBER Per Hour	\$ NUMBER Per Hour		170	
Actuarial Analyst	\$ NUMBER Per Hour	\$ NUMBER Per Hour	\$ NUMBER Per Hour		108	
Computer Specialist	\$ NUMBER Per Hour	\$ NUMBER Per Hour	\$ NUMBER Per Hour		56	
Support Services	\$ NUMBER Per Hour	\$ NUMBER Per Hour	\$ NUMBER Per Hour		46	
EVALUATION COST AMOUNT (sum of evaluation costs above): The RFP Coordinator will use this sum and the formula below to calculate the Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.						
<div style="display: flex; justify-content: space-between; align-items: center;"> <div> lowest evaluation cost amount from <u>all</u> proposals <hr style="width: 30%; margin: 5px 0;"/> evaluation cost amount being evaluated </div> <div style="text-align: center;"> x 35 (maximum section score) </div> <div> = SCORE: </div> </div>						
State Use – RFP Coordinator Signature, Printed Name & Date:						

REFERENCE QUESTIONNAIRE

The standard reference questionnaire provided on the following pages of this attachment MUST be completed by all individuals offering a reference for the Proposer.

The Proposer will be solely responsible for obtaining completed reference questionnaires as required (refer to RFP Attachment 6.2., Technical Proposal & Evaluation Guide, Section B, Item B.17.), and for enclosing the sealed reference envelopes within the Proposer's Technical Proposal.

RFP # 31701-05037 PROPOSAL REFERENCE QUESTIONNAIRE

REFERENCE SUBJECT: **PROPOSER NAME** (completed by proposer before reference is requested)

The "reference subject" specified above, intends to submit a proposal to the State of Tennessee in response to the Request for Proposals (RFP) indicated. As a part of such proposal, the reference subject must include a number of completed and sealed reference questionnaires (using this form).

Each individual responding to this reference questionnaire is asked to follow these instructions:

- complete this questionnaire (either using the form provided or an exact duplicate of this document);
 - sign and date the completed questionnaire;
 - seal the completed, signed, and dated questionnaire in a new standard #10 envelope;
 - sign in ink across the sealed portion of the envelope; and
 - return the sealed envelope containing the completed questionnaire directly to the reference subject.
-

Estimated number of eligible employees served by your pension or retiree Benefit programs: _____

(1) What is the name of the individual, company, organization, or entity responding to this reference questionnaire?

(2) Please provide the following information about the individual completing this reference questionnaire on behalf of the above-named individual, company, organization, or entity.

NAME:	
TITLE:	
TELEPHONE #:	
E-MAIL ADDRESS:	

(3) What services does /did the reference subject provide to your company or organization?

(4) What is the level of your overall satisfaction with the reference subject as a vendor of the services described above?

Please respond by circling the appropriate number on the scale below.

	1	2	3	4	5	
least						most
satisfied	—	—	—	—	—	satisfied

If you circled 3 or less above, what could the reference subject have done to improve that rating?

- (5) If the services that the reference subject provided to your company or organization are completed, were the services completed in compliance with the terms of the contract, on time, and within budget? If not, please explain.
- (6) If the reference subject is still providing services to your company or organization, are these services being provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.
- (7) How satisfied are you with the reference subject's ability to perform based on your expectations and according to the contractual arrangements?
- (8) In what areas of service delivery does /did the reference subject excel?
- (9) In what areas of service delivery does /did the reference subject fall short?
- (10) What is the level of your satisfaction with the reference subject's project management structures, processes, and personnel?

Please respond by circling the appropriate number on the scale below.

	1	2	3	4	5	
least						most
satisfied	—	—	—	—	—	satisfied

What, if any, comments do you have regarding the score selected above?

- (11) Considering the staff assigned by the reference subject to deliver the services described in response to question 3 above, how satisfied are you with the technical abilities, professionalism, and interpersonal skills of the individuals assigned?

Please respond by circling the appropriate number on the scale below.

	1	2	3	4	5	
least						most
satisfied	—	—	—	—	—	satisfied

What, if any, comments do you have regarding the score selected above?

- (12) Would you contract again with the reference subject for the same or similar services?

Please respond by circling the appropriate number on the scale below.

	1	2	3	4	5	
least						most
satisfied	—	—	—	—	—	satisfied

What, if any, comments do you have regarding the score selected above?

REFERENCE SIGNATURE:

(by the individual completing this
request for reference information)

(must be the same as the signature across the envelope seal)

DATE:

PROPOSAL SCORE SUMMARY MATRIX

	<i>PROPOSER NAME</i>		<i>PROPOSER NAME</i>		<i>PROPOSER NAME</i>	
GENERAL QUALIFICATIONS & EXPERIENCE (maximum: 25)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
	AVERAGE:		AVERAGE:		AVERAGE:	
TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH (maximum: 40)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
	AVERAGE:		AVERAGE:		AVERAGE:	
COST PROPOSAL (maximum: 35)	SCORE:		SCORE:		SCORE:	
TOTAL PROPOSAL EVALUATION SCORE: (maximum: 100)						
RFP Coordinator Signature, Printed Name & Date:						

RFP # 31701-05037 *PRO FORMA* CONTRACT

The *pro forma* contract detailed in following pages of this exhibit contains some “blanks” (signified by descriptions in capital letters) that will be completed with appropriate information in the final contract resulting from the RFP.

**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF FINANCE AND ADMINISTRATION
AND
CONTRACTOR NAME**

This Contract, by and between the State of Tennessee, Department of Finance and Administration, hereinafter referred to as the "State" and Contractor Legal Entity Name, hereinafter referred to as the "Contractor," is for the provision of actuarial services to be used for planning, accounting and financial reporting purposes, as further defined in the "SCOPE OF SERVICES."

The Contractor is **a/an Individual, For-Profit Corporation, Non-Profit Corporation, Special Purpose Corporation Or Association, Partnership, Joint Venture, Or Limited Liability Company.**

Contractor Place of Incorporation or Organization: **Location**

Contractor Edison Registration ID # **Number**

A. SCOPE OF SERVICES:

A.1. The Contractor shall provide all service and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Contract.

A.2. Actuarial Valuation of the State-Administered Healthcare Plans for Other Post Employment Benefits Obligation (OPEB).

- a. In General. The State administers four separate self-insured health plans: one plan, the State Employee Group Plan, for employees and retirees who are State employees (including higher education); another plan, the Local Education Plan, for teachers and other school system employees; a third plan, the Local Government Plan, for employees of local governments and quasi-governmental agencies; and a fourth plan, the Tennessee Plan, for Medicare retirees over the age of 65. Each plan is funded on a pay-as-you-go basis, in that future claims and administrative expenses are generally estimated based on past claims and the resultant estimates are utilized to establish funding requirements, primarily monthly premiums. Monthly premiums are billed to responsible employers periodically. Typically, employers subsidize their employee's premiums; however, the extent of the subsidy will vary in some plans. Premiums are set annually for each plan based on historical claims experience and projections for future claims for the subsequent year.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. These accounting and financial reporting standards require the State to obtain actuarial valuations for both active employees and retirees in each plan by employer. Moreover, the GASB standards are prescriptive in terms of measurement of annual required contributions, past service obligations, and required disclosures.

The purpose of this Contract is to secure professional services to provide actuarial valuations in accordance with *Actuarial Standards of Practice* for the State of Tennessee's Other Post Employment Benefits (OPEB)—Health Insurance Plans that will ensure the State's compliance with requirements of the Governmental Accounting Standards Board Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The GASB statements require actuarial valuations for each plan biennially plus certain data updated on an annual basis in accordance with prescribed parameters.

The following is a brief description of the four financially independent defined benefit health insurance plans administered by the State:

- (1) *Tennessee Plan* offers a Medicare supplemental plan (NAIC equivalent to plan D) as coverage to retirees who are eligible (over 65 years of age) for Medicare coverage and elect coverage under this supplemental plan. Eligible retirees receive, from the State, a fixed amount of financial support based on the length of service for State employees and teachers—30 years service provides \$50 per month, 20 to 29 years provides \$37.50 per month, and 15-19 years provides \$25 per month. Participating retirees are responsible for the balance of the premium. Local government employees and local education agency support staff are eligible to participate in this plan; however, the State is not responsible for any of the monthly premiums for these two classes of retirees. All participants in this plan are also participants in the Tennessee Consolidated Retirement System (TCRS) or Higher Education ORP.
- (2) *State Employee Group Plan* offers health insurance coverage to State employees under the State's group plan. Active employees contribute approximately 20 percent of the *active employee total premium* and retired employees (under 65 years of age) contribute between 20 and 40 percent of the *active employee total premium* depending on the retiree's length of service. The State, as employer, contributes approximately 80 percent of the *active employee total premium* for active employees and the insurance fund absorbs the employer's share of contributions related to retirees.

Employees who become disabled and receive healthcare benefits are treated as retirees for OPEB purposes. Retiree's share of the premiums are deducted from their pension checks (for participants in the Tennessee Consolidated Retirement System) and paid to the insurance plan. Former employees electing insurance coverage through the Consolidated Omnibus Budget Reconciliation Act (COBRA) pay 102 percent of the plan premiums. Active, former (COBRA participants) and retired employees are commingled in this plan.
- (3) *Local Education Plan* offers health insurance coverage for teachers and support personnel of local education agencies that elect to secure insurance coverage through the state-administered plan. There are 125 entities that participate in the State sponsored plan. Local education agencies are required to contribute a minimum of 45% of the monthly premium for teachers with either single or family coverage. Retired teachers under 65 contribute between 55% and 75% of the premium depending on years of service. Teachers who become disabled and receive healthcare benefits are treated as retirees for OPEB purposes. Active, former (COBRA participants) and retired employees are commingled in this plan.
- (4) *Local Government Plan* offers health insurance coverage for employees of approximately 359 local governments and quasi-governmental organizations (those which provide services to the State government). Local government employees who become disabled and receive healthcare benefits are treated as retirees for OPEB purposes. Active and retired local government employees are commingled in this plan.

Except for the Tennessee Plan, these plans offer the choice of a standard or partnership PPO option.

Each of the State's plans should be considered as agent, multiple employer plans for purposes of this Contract. The Contractor should consider active and retired employees by employer separately in each plan.

For accounting purposes, these plans are considered "cost-sharing, multiple-employer plans" in which all participants regardless of employer are charged the same premiums. However, because these plans are not advance funding the actuarially determined annual required contributions (ARC) i.e., are utilizing pay-as-you-go funding, GASB requires

accounting and disclosure requirements as though the plans are “agent, multiple-employer plans.”

b. Responsibilities of Contractor:

- (1) Biennial Actuarial Valuation of Each Plan Separating Active and Retired Employees by Employer. The Contractor shall perform the valuations in accordance with *Actuarial Standards of Practice* for the State of Tennessee’s Other Post Employment Benefits (OPEB)—Health Plans that will ensure compliance with the requirements of the Governmental Accounting Standards Board Statements Nos. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* for the four plans (defined above) that are administered by the State of Tennessee including but not limited to the following considerations:
 - i. Measurement of the annual required contribution (ARC) of the employer calculated in accordance with the parameters. Within the parameters, calculate the actuarial present value of total projected benefits in accordance with plan terms segregating active employees from retired employees. Retirees’ projection of future retiree benefits should be based on claims cost, or age-adjusted premiums approximating claims costs, in accordance with *Actuarial Standards Board* standards (ASOP 6).
 - ii. Measurement of the annual OPEB cost when a net OPEB obligation exists.
 - iii. Calculation of interest when a net OPEB obligation exists.
 - iv. Formulation of the note disclosures and required supplementary information (RSI) disclosures prescribed in GASB Statement 45 in the suggested format for each year.

Prior to delivery of the final valuation reports, the Contractor shall provide written documentation, in a format mutually agreed upon between the State and the Contractor, of the 1) actuarial methods and assumptions and 2) age distribution and category to be used in each of the four valuations.

The initial biennial valuation under this contract shall provide the actuarial valuation as of July 1, 2013, to be used for fiscal year ending June 30, 2014 and will provide ARC projections for fiscal year ending June 30, 2015. The Contractor shall use the most recently completed biennial valuation or actuarial update as its base for analysis and shall address any changes resulting from future Governmental Accounting Standards Board (GASB) pronouncements.

- (2) Subsequent Biennial Actuarial Valuations. The State and the Contractor have the same responsibilities and shall perform the same tasks described in Section A.2.b.(1) for subsequent actuarial valuations dated as of July 1, 2015 and July 1, 2017. For these subsequent actuarial valuations, the Contractor shall use the most recently completed biennial valuation or actuarial update as its base for analysis and shall address any changes resulting from future Governmental Accounting Standards Board (GASB) pronouncements.

The Contractor shall be compensated for work performed pursuant to Contract Sections A.2.b.(1) and A.2.b.(2) in accordance with Contract Section C.3.b.(1). The State shall have approval of all deliverables at its sole discretion.

(3) Actuarial Updates of Each Plan. At the State's request in the year subsequent to any of the three biennial valuations mentioned in Contract Section A.2.b.(1) and A.2.b.(2), the Contractor shall perform an actuarial update in accordance with the requirements of GASB Statements 43 and 45 including but not limited to the following considerations:

- i. Measurement of the annual required contribution (ARC) of the employer calculated in accordance with the parameters. Within the parameters, calculate the actuarial present value of total projected benefits in accordance with plan terms segregating active employees from retired employees. Retirees' projection of future retiree benefits should be based on claims cost, or age-adjusted premiums approximating claims costs, in accordance with *Actuarial Standards Board* standards (ASOP 6).
- ii. Measurement of the annual OPEB cost when a net OPEB obligation exists.
- iii. Calculation of interest when a net OPEB obligation exists.
- iv. Formulation of the note disclosures and required supplementary information (RSI) disclosures prescribed in GASB Statement 45 in the suggested format for each year.

Actuarial updates, other than the routine information required by the referenced GASB standards, may be requested when significant changes to the plan eligibility provisions or benefits occur in the interim years between biennial valuations. The State shall request the actuarial update in writing no less than six months prior to June 30 of the fiscal year requiring the update.

The Contractor shall provide to the State a written statement specifying the work to be performed, the name of each individual, the individual's job title, the number of hours required, the applicable hourly fee, the total compensation requested for each individual, and the total cost for completing the update. The cost for completing the update shall be based on the number of hours required multiplied by the corresponding payment rates set forth in Contract Section C.3.b.(2) of this Contract and in no instance shall the cost for completing the update exceed the cost of the most recently completed biennial valuation. Such statement shall be provided to the State as soon as possible after receiving notice from the State, but in no event more than ten (10) calendar days thereafter. The Contractor shall not perform any actuarial update services until the statement specifying the work and the number of hours required and the cost for completing the update is approved in writing by the State.

For these actuarial updates, the Contractor shall use the most recently completed biennial valuation as its base for analysis and shall address any changes resulting from future Governmental Accounting Standards Board (GASB) pronouncements.

The Contractor shall be compensated for work performed pursuant to Contract Section A.2.b.(3) in accordance with Contract Section C.3.b.(2)(i). **The State shall have approval of all deliverables at its sole discretion.**

(4) Assumptions. The Contractor shall make calculations using the following assumptions (which are open to discussion):

- i. Investment rate of return: four (4) percent
- ii. Actuarial cost method: Projected Unit Credit
- iii. Value of plan assets: zero (0)
- iv. Amortization period: thirty (30) years
- v. Amortization method: Level Percentage of Payroll

vi. OPEB debt: zero (0)

- (5) Reports. By no later than May 15 of each biennial valuation year, the Contractor shall deliver to the State a detailed report of the valuation by plan and employer separating active and retired employees. During the year, the Contractor shall be available to consult with the State regarding issues related to OPEB.

In the interim years between biennial valuations when the State requests an Actuarial Update in accordance with Contract Section A.2.b.(3), by no later than May 15, the Contractor shall deliver to the State a detailed report of the update by plan and employer separating active and retired employees. During the year, the Contractor shall be available to consult with the State regarding issues related to OPEB.

- (6) Meeting with State. The Contractor shall be available to meet with appropriate State personnel at the State's facilities in Nashville to discuss the valuation/update reports and questions or problems related thereto. No more than three meetings in Nashville would be necessary annually.

c. Responsibilities of State:

- (1) Documentation from State. The State shall provide to the Contractor, no later than November 15 of each year as appropriate, the following information and documentation relative to health insurance plans for the State's insurance programs to assist the Contractor in performing the services under this Contract Section A.2.:
- i. Demographic data in electronic format (could be multiple files; this data will be as of June 30, 2013, for initial biennial valuation, under this contract to be used for fiscal year ending June 30, 2014, and ARC projections for fiscal year ending June 2015):
 - ii. Demographic Extract Data Layouts, BA071 Interface Layout
 - iii. Demographic Extract Data Layouts, Vested Terminated Employees File Layout
- (2) Claims data by plan (except for Medicare Supplement) in electronic format (multiple Excel files) including the following data on an incurred basis (data will cover claims incurred through March 31, 2013, for biennial valuation dated July 1, 2013, for fiscal year ending June 30, 2014, and projections for fiscal year ending June 2015):
- i. Budget code, agency/entity name, employee status (active, retired, etc), average number of employees, average number of total members (lives), relationship (employee, spouse, etc), gender, age, net payments medical and Rx, net payments medical only, net payments Rx only, and member months with coverage type (POS, PPO, HMO).
 - ii. The employer subsidy of participant's premiums in the Medicare Supplement Plan is a flat amount based on years of service, for example: 15 years, \$25; 20 years, \$37.50; and 30 years, \$50. Claims data for this plan are irrelevant.
- (3) A list of employers will be provided in an Excel file. The employers will be defined by Department ID and budget code. The State will identify technology centers under community colleges.

- (4) Upon receipt of the above information and documentation and any other information reasonably requested by the Contractor in connection with its performance of the services under this Contract, the Contractor shall review such information and documentation for basic reasonableness and consistency and notify the State of any obvious concerns with the information and documentation so provided. Subject to its obligations in the preceding sentence, the Contractor may rely upon such information and documentation provided to it by such parties and is not required to verify or audit any information or documentation so provided, nor is it liable to the State if such information and/or documentation is inaccurate, misleading or false.

A.3. Other Actuarial Related Services. At the State's request, the Contractor shall provide the State with other actuarial services relative to OPEB as related to this Contract's Scope of Services. Such services may include actuarial valuation of proposed methods for addressing the OPEB liability and technical assistance and analysis, either orally or in written form, in connection with concerns and questions that may arise from time to time relative to OPEB and the funding and operation of the healthcare plans in Contract Section A.2, including, but not limited to, review of proposed legislation and review of proposed accounting standards and other operational issues.

If the Contractor intends to bill the State for any advice or service requested by the State under this Contract Section A.3, the Contractor shall so notify the State prior to providing such advice or service. The Contractor shall provide to the State a written statement specifying the work to be performed, the name of each individual, the individual's job title, the number of hours required, the applicable hourly fee, the total compensation requested for each individual, and the total cost for providing the advice or service. The cost for providing the advice or service shall be based on the number of hours required multiplied by the corresponding payment rates set forth in Section C.3.b.(3) of this Contract. Such statement shall be provided to the State as soon as possible after receiving notice from the State, but in no event more than ten (10) calendar days thereafter. The Contractor shall not provide such assistance or service until the statement specifying the work and the number of hours required and the cost is approved in writing by the State.

The Contractor shall be compensated for work performed pursuant to Contract Section A.3. on an hourly fee basis in accordance with Contract Section C.3.b.(2)(ii). The State shall have approval of all deliverables at its sole discretion.

A.4. Job Classifications. Under the terms of this Contract and at the State's request, the Contractor shall assign Contractor personnel to provide Actuarial Services to the State. The personnel provided shall have the skill sets and experience to perform the tasks. The Job Classifications represent the categories of work as described below. (Contractors in each of these Job Classifications shall be referred to collectively as "personnel.") The baseline experience and skills sets required for each Job Classification follow the Job Classification names. Assigned personnel must possess the skills and experience required for the Job Classification to which they are being assigned. The Contractor shall not assign personnel that do not possess the required skills and experience.

- a. Senior Vice President – supervisory review and special consulting; requires a minimum of 5 years of current experience in this job classification;
- b. Vice President – project oversight, analysis, review and special consulting; requires a minimum of 3 years of current experience in this job classification;
- c. Senior Actuarial Analyst – analysis; requires a minimum of 3 years of current experience in this job classification;
- d. Actuarial Analyst - analysis and exposure compilation; requires a minimum of 1 year of current experience in this job classification;

- e. Computer Specialist – processing and summarization of loss and exposure data; requires a minimum of 1 year of current experience in this job classification;
- f. Support Services – graphic preparation, word processing, report production;

B. CONTRACT PERIOD:

This Contract shall be effective for the period beginning July 1, 2013, and ending on June 30, 2019. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed **Written Dollar Amount (\$Number)**. The payment rates in Section C.3 and the Travel Compensation provided in Section C.4. shall constitute the entire compensation due the Contractor for the Service and all of the Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

- C.2. Compensation Firm. The payment rates and the maximum liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.

- C.3. Payment Methodology. The Contractor shall be compensated based on the payment rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in section C.1.

- a. The Contractor's compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in section A.
- b. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

(1) Actuarial Valuation Reports.

Biennial Valuation Services	Initial Actuarial Valuation Report - Due 5/15/2014	Subsequent Actuarial Valuation and Report - Due 5/15/2016	Subsequent Actuarial Valuation and Report - Due 5/15/2018

Written Documentation of 1) Actuarial Methods and Assumptions and 2) Age Distribution and Category – see <i>pro forma</i> Contract Sections A.2.b.(1) and A.2.b.(2)	\$ Amount [The total amount bid for “Initial Actuarial Valuation Report Due 5/15/2014” will be divided by two (2) and transcribed here.]	\$ Amount [The total amount bid for “Subsequent Actuarial Valuation Report Due 5/15/2016” will be divided by two (2) and transcribed here.]	\$ Amount [The total amount bid for “Subsequent Actuarial Valuation Report Due 5/15/2018” will be divided by two (2) and transcribed here.]
Four (4) Final Approved Actuarial Valuation Reports – see <i>pro forma</i> Contract Sections A.2.b.(1) and A.2.b.(2)	\$ Amount [The total amount bid for “Initial Actuarial Valuation Report Due 5/15/2014” will be divided by two (2) and transcribed here.]	\$ Amount [The total amount bid for “Subsequent Actuarial Valuation Report Due 5/15/2016” will be divided by two (2) and transcribed here.]	\$ Amount [The total amount bid for “Subsequent Actuarial Valuation Report Due 5/15/2018” will be divided by two (2) and transcribed here.]

(2) Actuarial Valuation Update Reports and Other Actuarial Related Services.

Actuarial Hourly Services See <i>pro forma</i> Contract Sections A.2.b.(2) and A.3.	Actuarial Valuation Update Report Due 5/15/2015 and Other Actuarial Related Services 7/1/2013 – 6/30/2015	Actuarial Valuation Update Report Due 5/15/2017 and Other Actuarial Related Services 7/1/2015 – 6/30/2017	Actuarial Valuation Update Report Due 5/15/2019 and Other Actuarial Related Services 7/1/2017 – 6/30/2019
Senior Vice President	\$ Number Per Hour	\$ Number Per Hour	\$ Number Per Hour
Vice President	\$ Number Per Hour	\$ Number Per Hour	\$ Number Per Hour
Senior Actuarial Analyst	\$ Number Per Hour	\$ Number Per Hour	\$ Number Per Hour
Actuarial Analyst	\$ Number Per Hour	\$ Number Per Hour	\$ Number Per Hour

Computer Specialist	\$ Number Per Hour	\$ Number Per Hour	\$ Number Per Hour
Support Services	\$ Number Per Hour	\$ Number Per Hour	\$ Number Per Hour

- i. Actuarial Valuation Update Reports. If requested by the State due to significant plan eligibility provisions or benefits changes, the State shall be liable to the Contractor only for the cost of the actual hours required for an update's completion multiplied by the corresponding payment rates set forth above in Section C.3.b.(2) not to exceed the cost for the update detailed in the statement provided by the Contractor and approved by the State. Refer to Section A.2.b.(3) of this Contract for statement requirements.
 - ii. Other Actuarial Related Services. The State shall be liable to the Contractor only for the cost of the actual hours required for Other Actuarial Related Services multiplied by the corresponding payment rates set forth above in Section C.3.b.(2) not to exceed the cost for the services detailed in the statement provided by the Contractor and approved by the State. Refer to Section A.3. of this Contract for statement requirements. Compensation for this Section C.3.b.(2)(ii) Other Actuarial Related Services shall not exceed fifty-percent (50%) of the Maximum Liability presented in Section C.1.
 - c. The Contractor shall not be compensated for travel time to the primary location of service provision.
- C.4. Travel Compensation. Compensation to the Contractor for travel, meals, or lodging shall be subject to amounts and limitations specified in the "State Comprehensive Travel Regulations," as they are amended from time to time. Compensation for travel, meals or lodging shall be paid only when advance written approval is obtained from the State for Actuarial Valuation Update Reports and Other Actuarial Related Services.
- The Contractor must include (in addition to other invoice requirements of this Contract) a complete itemization of travel compensation requested in accordance with and attaching to the invoice appropriate documentation and receipts as required by the above-referenced "State Comprehensive Travel Regulations."
- C.5. Invoice Requirements. The Contractor shall invoice the State only for completed increments of service and for the amount stipulated in section C.3, above, and present said invoices no more often than monthly, with all necessary supporting documentation, to:

Ike Boone, Financial Oversight Coordinator
Department of Finance and Administration
Division of Accounts
William Snodgrass/TN Tower, 20th Floor
312 Rosa L. Parks Avenue
Nashville, TN 37243-1102

- a. Each invoice shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly).
 - (1) Invoice Number (assigned by the Contractor)

- (2) Invoice Date
- (3) Contract Number (assigned by the State)
- (4) Customer Account Name: Department of Finance & Administration & Division of Accounts
- (5) Customer Account Number (assigned by the Contractor to the above-referenced Customer)
- (6) Contractor Name
- (7) Contractor Tennessee Edison Registration ID Number Referenced in Preamble of this Contract
- (8) Contractor Contact for Invoice Questions (name, phone, and/or fax)
- (9) Contractor Remittance Address
- (10) Description of Delivered Service
- (11) Complete Itemization of Charges, which shall detail the following:
 - i. Service or Milestone Description (including name & title as applicable) of each service invoiced
 - ii. Number of Completed Units, Increments, Hours, or Days as applicable, of each service invoiced
 - iii. Applicable Payment Rate (as stipulated in Section C.3.) of each service invoiced
 - iv. Amount Due by Service
 - v. Total Amount Due for the invoice period

b. The Contractor understands and agrees that an invoice under this Contract shall:

- (1) include only charges for service described in Contract Section A and in accordance with payment terms and conditions set forth in Contract Section C;
- (2) only be submitted for completed service and shall not include any charge for future work;
- (3) not include sales tax or shipping charges; and
- (4) initiate the timeframe for payment (and any discounts) only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.5.

C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or matter in relation thereto. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount invoiced.

C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute proper remuneration for compensable services.

C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts, which are or shall become due and payable to the State of Tennessee by the Contractor.

C.9. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following documentation properly completed.

- a. The Contractor shall complete, sign, and present to the State an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once said form is received by the State, all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH).

- b. The Contractor shall complete, sign, and present to the State a "Substitute W-9 Form" provided by the State. The taxpayer identification number detailed by said form must agree with the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Contract.

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a breach of contract by the State. The State shall give the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to terminate the Contract and withhold payments in excess of fair compensation for completed services.
 - a. The State will provide notification of termination for cause in writing. This notice will: (1) specify in reasonable detail the nature of the breach; (2) provide the Contractor with an opportunity to cure, which must be requested in writing no less than 10 days from the date of the Termination Notice; and (3) shall specify the effective date of termination in the event the Contractor fails to correct the breach. The Contractor must present the State with a written request detailing the efforts it will take to resolve the problem and the time period for such resolution. This opportunity to "cure" shall not apply to circumstances in which the Contractor intentionally withholds its services or otherwise refuses to perform. The State will not consider a request to cure contract performance where there have been repeated problems with respect to identical or similar issues, or if a cure period would cause a delay that would impair the effectiveness of State operations. In circumstances where an opportunity to cure is not available, termination will be effective immediately.
 - b. Notwithstanding the foregoing, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages,

compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six months has been, an employee of the State of Tennessee.

- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Prohibition of Illegal Immigrants. The requirements of *Tennessee Code Annotated*, Section 12-4-124, *et seq.*, addressing the use of illegal immigrants in the performance of any Contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.
- a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment A, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the Contractor and made available to state officials upon request.
 - b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such subcontractors shall be maintained by the Contractor and made available to state officials upon request.
 - c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
 - d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of *Tennessee Code Annotated*, Section 12-4-124, *et seq.* for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.
 - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.

- D.9. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.10. Prevailing Wage Rates. All contracts for construction, erection, or demolition or to install goods or materials that involve the expenditure of any funds derived from the State require compliance with the prevailing wage laws as provided in *Tennessee Code Annotated*, Section 12-4-401, *et seq.*
- D.11. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.12. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.13. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.14. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.

- D.15. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.16. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.
- D.17. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.18. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.
- D.19. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the

parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

- D.20. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.21. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Ike Boone, Financial Oversight Coordinator
Department of Finance and Administration
Division of Accounts
Wm Snodgrass/TN Tower, 20th Floor
312 Rosa L. Parks Avenue
Nashville, TN 37243
Ike.Boone@tn.gov
Telephone # (615) 741-9803
FAX # (615) 532-2332

The Contractor:

Contractor Contact Name & Title
Contractor Name
Address
Email Address
Telephone # Number
FAX # Number

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- E.4. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in *Tennessee Code Annotated*, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System (TCRS), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established pursuant to *Tennessee Code Annotated*, Title 8, Chapter 35, Part 3 accepts state employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the period of this Contract.
- E.5. State Ownership of Work Products. The State shall have all ownership right, title, and interest, including ownership of copyright, in all work products created, designed, developed, derived, documented, installed, or delivered to the State under this Contract. The State shall have royalty-free and unlimited rights to use, disclose, reproduce, or publish, for any purpose whatsoever, all said work products. The Contractor shall furnish such information and data upon request of the State, in accordance with the Contract and applicable State law.
- E.6. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below.
- a. this Contract document with any attachments or exhibits (excluding the items listed at subsections b. through e., below);
 - b. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
 - c. the State solicitation, as may be amended, requesting proposals in competition for this Contract;
 - d. any technical specifications provided to proposers during the procurement process to award this Contract;
 - e. the Contractor's proposal seeking this Contract.
- E.7. Workpapers Subject to Review. The Contractor shall make all audit, accounting, or financial analysis workpapers, notes, and other documentation available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Contract.
- E.8. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed. It is expressly understood and agreed that the obligations set forth in this section shall survive the termination of this Contract in perpetuity.
- E.9. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Contractor to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- E.10. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations.
- a. Contractor warrants to the State that it is familiar with the requirements of HIPAA and its accompanying regulations, and will comply with all applicable HIPAA requirements in the course of this Contract.
 - b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by HIPAA and its regulations, in the course of performance of the Contract so that both parties will be in compliance with HIPAA.
 - c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by HIPAA and that are reasonably necessary to keep the State and Contractor in compliance with HIPAA. This provision shall not apply if information received by the State under this Contract is NOT "protected health information" as defined by HIPAA, or if HIPAA permits the State to receive such information without entering into a business associate agreement or signing another such document.
- E.11. Contractor Commitment to Diversity. The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractor's proposal responding to RFP-31701-05037 (RFP Attachment 6.2. – Section B, Item Ref. B.15.) and resulting in this Contract.
- The Contractor shall assist the State in monitoring the Contractor's performance of this commitment by providing, as requested, a quarterly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, and persons with a disability. Such reports shall be provided to the state of Tennessee Governor's Office of Diversity Business Enterprise in form and substance as required by said office.
- E.12. Documentation Upon Termination. Upon expiration of this Contract or in the event its termination for any reason, the Contractor shall provide a copy of historical data compiled pursuant to this Contract and other pertinent data to the State or its designated agent. Additionally, the Contractor shall provide all information necessary to properly interpret the data supplied. To insure continuity, upon thirty (30) days notice, this information shall be provided to the State or its designated agent within forty-five (45) days after the termination date of this Contract; further, the State may require the Contractor to provide this information at various other times prior to or after the termination date of this Contract.
- E.13. Insurance. The Contractor shall carry adequate liability and other appropriate forms of insurance.
- a. The Contractor shall maintain, at minimum, the following insurance coverage:

- (1) Workers' Compensation/ Employers' Liability (including all states coverage) with a limit not less than the relevant statutory amount or one million dollars (\$1,000,000) per occurrence for employers' liability whichever is greater.
 - (2) Comprehensive Commercial General Liability (including personal injury & property damage, premises/operations, independent contractor, contractual liability and completed operations/products) with a bodily injury/property damage combined single limit not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate.
 - (3) Automobile Coverage (including owned, leased, hired, and non-owned vehicles) with a bodily injury/property damage combined single limit not less than one million dollars (\$1,000,000) per occurrence.
 - (4) Professional Malpractice Liability with a limit of not less than one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) aggregate.
- b. At any time State may require the Contractor to provide a valid Certificate of Insurance detailing Coverage Description; Insurance Company & Policy Number; Exceptions and Exclusions; Policy Effective Date; Policy Expiration Date; Limit(s) of Liability; and Name and Address of Insured. Failure to provide required evidence of insurance coverage shall be a material breach of this Contract.

E.14. Limitation of Liability. The parties agree that the Contractor's liability under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in section C.1. and as may be amended, PROVIDED THAT in no event shall this section limit the liability of the Contractor for intentional torts, criminal acts, or fraudulent conduct.

IN WITNESS WHEREOF,

CONTRACTOR LEGAL ENTITY NAME:

CONTRACTOR SIGNATURE

DATE

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF FINANCE AND ADMINISTRATION:

MARK A. EMKES, COMMISSIONER

DATE

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

CONTRACTOR SIGNATURE

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.

PRINTED NAME AND TITLE OF SIGNATORY

DATE OF ATTESTATION

DEMOGRAPHIC EXTRACT DATA LAYOUTS

BA071 INTERFACE LAYOUT

File Layout			Peoplesoft			
Field Name	Start Position	Length	Field Name	Table Name	Transformation	Comments
Record Type	1	1			A - Active, R - Retired, S - Spouse	If HR_STATUS = 'A' the value is 'A'. If Benefit_program starts with 'R' the value is 'R'. If Covrg_cd = 'E' the value is 'S'. Refer to Business Logic of DR for more info.
Employee Group	2	2			Refer to Employee Group Mapping Tab	Company supersedes Business Unit and pla_type 1V supersedes Company and Business Unit
Identify Code	4	10	DEPTID	JOB		
Social Security Number	14	9	NATIONAL_ID	PERS_NID, DEP_BENEF_NID	If Record Type 'S', NATIONAL_ID from DEP_BENEF_NID, else NATIONAL_ID from PERS_NID	
Plan Identifier Employee	23	6	BENEFIT_PLAN	HEALTH_BENEFIT	Refer to Benefit Plan Mapping Tab	Blanks for Record Type 'S'
Coverage Level	29	1	COVRG_CD	HEALTH_BENEFIT	Refer to Coverage Code Mapping Tab	

File Layout			Peoplesoft			
Field Name	Start Position	Length	Field Name	Table Name	Transformation	Comments
Plan Identifier Spouse	30	6	BENEFIT_PLAN	HEALTH_BENEFIT	Refer to Benefit Plan Mapping Tab	Populate this for Record Type 'S'
Employer Premium	36	7.2	EMPLR_COVRG_RATE	FLAT_RATE_TBL, SVC_COVG_TBL		Refer to Business Logic of DR
Employee Premium	45	7.2	EMPL_COVRG_RATE	FLAT_RATE_TBL, SVC_COVG_TBL		Refer to Business Logic of DR
State Premium	54	7.2	Provided by TCRS. This is the portion of the premium that the LG/LE employer pays (i.e. Athens City pays 83.33 for employees with 30+ years of service)			
Total Premium	63	7.2	TOTAL_COVRG_RATE	FLAT_RATE_TBL, SVC_COVG_TBL		Refer to Business Logic of DR
Date of Birth	72	8	BIRTHDATE	PERSONAL_DATA	MMDDCCYY	
Gender	80	1	SEX	PERSONAL_DATA		
Date of Hire	81	8	HIRE_DT or Provided by TCRS if left with blanks	EMPLOYMENT	MMDDCCYY	Hire Date from Employment If company = 'TN' or company = 'NP' and Business unit in (HEUTN, HETBR, STOLA, STOLC). Leave blanks for others.
Annual Rate of Salary	89	7.2	ANNUAL_RT or Provided by TCRS if blank for LE, LG (Edison used a flat amount of \$50,000 for LE & LG in order to process Insurance through	JOB		

File Layout			Peoplesoft			
Field Name	Start Position	Length	Field Name	Table Name	Transformation	Comments
			Payroll)			
Employee Category	98	1	Provided by TCRS for Disabled			A- Active, P - Pre-Med Sup, M - Medsup Post 65, D - Disabled, G - Grandfathered. Refer to Business logic of DR
Pension Participation	99	1	Provided by TCRS			Y - Pension Participation, N - No Pension Participation
Number of Months Service	100	4	Provided by TCRS if different than amount in field (Populated with months of service from Edison)		for Active Employees only	
Spouse Indicator	104	1			Y - Spouse is covered, N - Spouse is not covered	Refer to Business Logic of DR
Spouse Coverage	105	1			Y - Spouse is covered, N - Spouse is not covered	Refer to Business Logic of DR
Date of Birth - Spouse	106	8			MMDDCCYY	Refer to Business Logic of DR
Number of Covered Dependents	114	2			No of dependents covered	Refer to Business Logic of DR
Date of Disability	116	8	Provided by TCRS - TCRS can provide the Date of Retirement		MMDDCCYY	
Date of Retirement	124	8	Provided by TCRS		MMDDCCYY	
Date of Retirement Benefit start	132	8	Provided by TCRS - TCRS can provide the		MMDDCCYY	

File Layout			Peoplesoft			
Field Name	Start Position	Length	Field Name	Table Name	Transformation	Comments
			first Payment Date			
Grandfathered Indicator	140	1			Y or N flag	Refer to Business Logic of DR
Date of Death	141	8			MMDDCCYY	Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Number of Surviving Dependents	149	2				Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Gender1	151	1				Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Birth Date1	152	8			MMDDCCYY	Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Gender2	160	1				Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Birth Date2	161	8			MMDDCCYY	Refer to Business Logic of DR under

File Layout			Peoplesoft			
Field Name	Start Position	Length	Field Name	Table Name	Transformation	Comments
						Surviving Dependents with 6 months free coverage:
Dependents Gender3	169	1				Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Birth Date3	170	8			MMDDCCYY	Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Gender4	178	1				Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Birth Date4	179	8			MMDDCCYY	Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Gender5	187	1				Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:

File Layout			Peoplesoft			
Field Name	Start Position	Length	Field Name	Table Name	Transformation	Comments
Dependents Birth Date5	188	8			MMDDCCYY	Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Gender6	196	1				Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Birth Date6	197	8			MMDDCCYY	Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Gender7	205	1				Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Birth Date7	206	8			MMDDCCYY	Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Gender8	214	1				Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:

File Layout			Peoplesoft			
Field Name	Start Position	Length	Field Name	Table Name	Transformation	Comments
Dependents Birth Date8	215	8			MMDDCCYY	Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Gender9	223	1				Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Birth Date9	224	8			MMDDCCYY	Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Gender10	232	1				Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Birth Date10	233	8			MMDDCCYY	Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Gender11	241	1				Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:

File Layout			Peoplesoft			
Field Name	Start Position	Length	Field Name	Table Name	Transformation	Comments
Dependents Birth Date11	242	8			MMDDCCYY	Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Gender12	250	1				Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Birth Date12	251	8			MMDDCCYY	Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Gender13	259	1				Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Birth Date13	260	8			MMDDCCYY	Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Gender14	268	1				Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:

File Layout			Peoplesoft			
Field Name	Start Position	Length	Field Name	Table Name	Transformation	Comments
Dependents Birth Date14	269	8			MMDDCCYY	Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Gender15	277	1				Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Dependents Birth Date15	278	8			MMDDCCYY	Refer to Business Logic of DR under Surviving Dependents with 6 months free coverage:
Employee Class	286	3				Retrieve Empl_Class from Job
Coverage Elect	289	1				Retrieve Coverage_Elect from Health_Benefit
Business Unit	290	5				Retrieve Business_Unit from Job
Department Description	295	30				Retrieve Description from Department
Division	325	8				For TN company, retrieve the first 5 bytes of DeptID from Department For NP company, retrieve the first 8 bytes of DeptID from MailDrop

VESTED TERMINATED EMPLOYEES FILE LAYOUT

Field Name	Start Position	Length
Social Security Number	1	9
Last Name	10	15
First Name	25	15
Gender	40	1
Date of Birth	41	8 MMDDYYYY
Marital Status	49	1
Spouse's Date of Birth	50	8 MMDDYYYY
Date of Retirement Eligibility	58	8 MMDDYYYY
Employee Category	66	3
Number of Years of Service at First Eligibility	69	2
Pension Participation	71	1
Plan Identifier	72	2
Agency Code	74	5
Filler	79	12